

News Release

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USDA ANNOUNCES 1998-CROP BURLEY TOBACCO PROGRAM; SETS REFERENDUM

WASHINGTON, January 30, 1998 -- The U. S. Department of Agriculture today announced the following provisions of the 1998 burley tobacco program.

The national marketing quota for the 1998 crop is 637.8 million pounds, down from the 1997 quota of 704.5 million pounds and is based on the following:

	Million Lbs.
-- Purchase intentions by domestic cigarette manufacturers:	421.1
-- Unmanufactured exports (3-yr. average):	188.1
-- Reserve stock adjustment:	28.6
-- Discretionary adjustment:	0

The support level for the 1998 crop is \$1.778 per pound, up 1.8 cents per pound from 1997.

For each farm, the 1998 basic quota will decrease 9 percent from 1997.

The effective quota is expected to be about 920 million pounds, or 40 million pounds above 1997.

The marketing assessment will be 0.889 cent per pound, with respect to both growers and buyers, for a total of 1.778 cents per pound for the 1998 crop of domestic burley tobacco. The no-net-cost assessment will be announced at a later date.

Burley tobacco growers will vote February 23-27, in a mail referendum to decide whether marketing quotas on a poundage basis will continue for burley tobacco for the next three years. Quotas will remain in effect if less than one-third of the voting producers vote "No". Burley tobacco is grown in Kentucky, Tennessee and surrounding States.

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